PUBLIC DISCLOSURE

November 16, 2009

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Western Community Bank
Certificate Number 33542

1376 North State Street
Orem, Utah 84057

Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Western Community Bank** prepared by the **Federal Deposit Insurance Corporation (FDIC)**, the institution's supervisory agency, as of **November 16, 2009**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Western Community Bank's CRA performance depicts a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods (LMI), in a manner consistent with its resources and capabilities. The following narrative supports this rating:

- An analysis of commercial loan originations reveals a reasonable penetration of lending among businesses of different sizes.
- The geographic distribution of commercial loans reflects a reasonable dispersion throughout the assessment area, given the bank's lending products, competition, and locations. No unexplained lending gaps were identified.
- A substantial majority of loans are located in the institution's assessment area.
- The average net loan-to-deposit ratio (ANLTD) ratio reflects a reasonable responsiveness to community credit needs.
- No CRA related complaints have been received.

In addition, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

SCOPE OF THE EVALUATION

The CRA Performance Evaluation reflects Western Community Bank's CRA performance since the previous evaluation dated August 16, 2004. The evaluation was conducted from the Orem office located at 1376 North State Street, Orem, Utah. The bank reported total assets of approximately $120.4 million on September 30, 2009. The CRA performance was performed using small bank CRA examination procedures. Community development investments and services were not reviewed at management's option.

Examiners evaluated Western Community Bank's CRA performance in the context of the following:

- The current economic environment;
- Demographic characteristics of its assessment area;
- Lending opportunities within its assessment area;
- Bank financial resources and constraints;
- Bank product offerings and business strategy;
- Information derived from community contacts; and
- Performance of similarly situated institutions, if any.

The CRA evaluation focused on the lending activity for commercial purpose loans because these loans represent the primary business focus of the bank. Examiners reviewed all commercial purpose loans originated from January 1, 2009, through September 1, 2009, in order to evaluate the institution's lending performance. There were 42 commercial loans, totaling approximately $2.4 million originated during the review period. These loans were identified through a review of an electronic download of the institution's loan portfolio, as of September 1, 2009.

Table 1 provides details regarding the distribution of the loans by type as of the September 30, 2009, Reports of Condition and Income (CALL Report). However, the loans reviewed included 61 percent commercial purpose loans, 16 percent construction and land development, 13 percent residential real estate, and 10 percent consumer purpose. This CRA Performance Evaluation will concentrate on the commercial purpose loans, which represent the largest portion of the bank's loan portfolio according to the CALL Report and also the largest portion of loans originated during the review period.

Western Community Bank is subject to the Home Mortgage Disclosure Act (HMDA) data collection requirements. However, HMDA loans were not included in the CRA Evaluation due to the limited number of reported loans and the errors in the data.

D&B data is presented for comparison purposes in the borrower profile and geographic distribution analyses for small business loans. D&B data is based on the geographic location, using 2000 U.S. Census boundaries, of the total number of businesses within the assessment area and the reported annual gross sales of those businesses.

DESCRIPTION OF INSTITUTION

Western Community Bank is a commercial bank with approximately $92 million in total loans, $104 million in total deposits, and $120 million in total assets, as of the September 30, 2009, CALL Report.

The institution is a full-service retail bank that offers a wide variety of personal and business loans and deposit products. The main office is located at 1376 North State Street in Orem, Utah, located in an upper-income census tract. The main office and branch lobby hours are open for business from 9:00 a.m. to 5:00 p.m., Monday through Friday. Drive-up hours are 8:30 a.m. to 6:00 p.m., Monday through Friday and 8:30 a.m. to 1:00 p.m., on Saturday. The bank operates two branch offices in Utah County; one located at 475 East State Road, Pleasant Grove, Utah, and one at 375 South Main, Alpine, Utah. These offices are located in upper-income census tracts. The branch offices maintain lobby and drive up hours similar to the main office. No bank offices were closed and the Alpine office was opened since the prior CRA Evaluation.

Additionally, the bank operates three automated teller machines (ATMs), one located at each office. The ATMs are available 24 hours a day and 7 days a week. None of the ATMs accept deposits. Other services offered by Western Community Bank are free bill pay, night drop service, and free internet banking. The bank is wholly-owned by Community Bancorporation, a one-bank holding company.

Loan Portfolio

The composition of the loan portfolio is depicted in Table 1. Information is from the September 30, 2009, CALL Report. As previously mentioned, construction and land development loans comprise approximately 31 percent of total loans; commercial (commercial real estate and commercial/industrial loans) loans total 40 percent; residential real estate lending (closed- and open-end secured by first liens and junior liens) comprise 24 percent; consumer loans comprise 2 percent of total loans; multifamily (5 or more) residential and other loans were nominal.

Table 1: Composition of Loan Portfolio as of September 30, 2009		
Loan Type	**Dollar Amount (000s)**	**Percent of Total Loans (%)**
Construction and land development	28,476	31
Secured by farmland	1,520	1.6
1 to 4 family residential	22,154	24.
Multifamily (5 or more) residential	413	0.45
Commercial real estate	31,439	34.
Total Real Estate Loans	**84,002**	**92**
Commercial and industrial	5,245	6
Lease financing receivables	0	0
Agricultural	0	0
Consumer	2,263	2.4
Other loans	113	0.12
Obligation of state and political subdivisions	0	0
LESS: Unearned Income on loans	0	0
Total Loans	**91,623**	**100.00**

Source: September 30, 2009, CALL Report

Credit Products

Western Community Bank offers a variety of loan products to fulfill the credit needs of the residents and businesses within its assessment area. The bank's primary business focus is commercial lending. There were no new loan products introduced since the previous CRA Performance Evaluation.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define specific assessment areas where the bank will concentrate its lending efforts. The FDIC evaluates the institution's CRA performance within the defined assessment areas. Assessment areas are expected to consist of Metropolitan Statistical Areas (MSA) or political subdivisions such as counties, cities, or towns.

The Board of Directors has designated Utah County in the Provo-Orem MSA as the bank's assessment area. The main office and the two branches are located in Utah County. This assessment area complies with the technical requirements of the regulation and does not arbitrarily exclude LMI neighborhoods.

Demographics

Utah County contains 85 census tracts. Selected population and business demographics are detailed in Table 2 below.

Table 2: Utah County Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	85	8.24	14.12	45.88	28.24	3.53
Population by Geography	368,536	9.06	14.93	47.32	28.54	0.15
Business by Geography	47,752	3.27	12.36	49.41	34.93	0.03
Family Distribution by Income Level	81,675	17.70	19.40	24.45	38.45	0.00
Median family income (MFI) Housing Urban Development (HUD) Adjusted MFI for 2009 Households Below Poverty Level		$50,010 $62,900 11%	Median Housing Value Unemployment Rate (2000 US Census)		$154,118 2.26%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2009 HUD updated MFI

According to information obtained from the D&B data, 47,752 businesses are located in Utah County. Approximately, 79.06 percent of these businesses reported gross annual revenues of $1 million or less. As shown in the table above, a majority of the businesses are located in middle- and upper-income census tracts.

Utah County Economy

The county comprises a majority of the Provo-Orem MSA #39340. This county is located in north central Utah, 44 miles south of Salt Lake City, at the foot of the Wasatch Mountain range. The county covers approximately 1,998 square miles, and is the state's second largest populated county, behind Salt Lake County. It encompasses the cities of Provo and Orem and several smaller cities and residential communities including American Fork, Lehi, Pleasant Grove, Spanish Fork, Springville, Mapleton, Payson, and Saratoga Springs.

Currently, Utah County’s major employers include Brigham Young University; the Alpine, Provo, and Nebo School Districts; Utah Valley Regional Medical Center; Novell; and Utah Valley State College.

Competitive Environment

The bank faces competition from 15 financial institutions in Utah County for deposit market share. These institutions account for 93 banking offices and $3.4 billion in deposits. According to the "Summary of Deposits Market Share Report" dated June 30, 2009, the bank ranks 8th in Utah County and holds 3.18 percent of total deposits in the county.

Community Contact

One recent community contact performed for another financial institution was reviewed. The contact stated that local area banks' lending restrictions have placed operating constraints on small businesses and revitalization projects.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Western Community Bank's CRA performance reflects a satisfactory responsiveness to assessment area credit needs. The institution's performance under each of the small bank performance criteria is summarized below, in order of significance. The institution's reasonable borrower profile performance and geographic distribution of loans throughout the assessment area are given the greatest weight in determining the institution's overall rating.

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among businesses of different revenue sizes.

Table 3 provides the distribution of commercial loans originated during the review period located within the assessment area. The loans are analyzed by number and dollar volume of total gross revenues of the business. The distribution of the total number of businesses in the assessment area was obtained from D&B data, and is shown for comparison purposes in Table 3.

Table 3: Distribution of Commercial Loans by the Gross Annual Revenues of the Business					
Revenue Size (000s)	**Bank Loans***				**D&B Data**
	#	**%**	**$ (000s)**	**%**	**%**
< $100	8	20	143,004	6	39
$101 - $250	15	38	1,285,118	53	30
$251 - $500	5	13	385,377	16	7
$501 - $1,000	2	5	90,308	4	3
≤ $1,000	30	**75**	1,903,807	**78**	**79**
> $1,000	10	25	522,751	22	3
Total	40	100	2,426,558	99.99***	82.43****

Sources: *Institution's commercial loans originated between January 1, 2009, through September 1, 2009; **2009 D&B data. *** Due to Rounding. ****Does not include 17.57 percent of businesses who did not report gross annual revenues.

As illustrated in Table 3, the bank's penetration of commercial loans to businesses with gross annual revenues of $1 million or less within the assessment area is 75 percent by number and 78 percent by dollar volume. This is only slightly below the assessment area total number of businesses with gross annual revenues of $1 million or less, which is at 79 percent.

Geographic Distribution

The geographic distribution of commercial loans reflects a reasonable dispersion throughout the assessment area. Table 4 provides the geographic distribution of the bank's commercial loans by the number and dollar volume of loans originated within the assessment area for the review period. The geographic distribution of the total number of businesses in the assessment area was taken from D&B data, and is shown for comparison purposes.

Table 4: Geographic Distribution of Lending					
Tract Income Level	**Bank Loans***				**D&B Data**
	#	**%**	**$ (000s)**	**%**	**%**
Low	0	0	0	0.	3
Moderate	2	5	381,050	16	12
Middle	21	53	637,524	26	49
Upper	17	43	1,407,984	58	35
NA	0	0	0	0	.03
Total	40	100	2,426,558	99.99***	100

Source: *Institution's commercial loans originated between January 1, 2009, through September 1, 2009; **2009 D&B data. *** Due to rounding.

As illustrated in Table 4, no loans were originated in low-income census tracts during the review period. According to D&B data, 3 percent of businesses within the assessment area are located within low-income census tracts. Management advertises and participates in various business and public events throughout the entire community in order to proactively attract businesses from all regions of the assessment area. Approximately 5 percent by number and 16 percent by dollar volume of the institution's commercial loans were originated in moderate-income census tracts, which compare reasonably to D&B data of 12 percent. The bank's distribution and marketing efforts reflect its commitment to lend to businesses throughout its assessment area, in particular to those in LMI census tracts. No unexplained lending gaps were identified.

Assessment Area Concentration

The bank originated a substantial majority of its commercial purpose loans within its assessment area. Table 5 indicates that all except two of the commercial loans originated in the review period were located inside of the assessment area. This reflects the bank's commitment to extend credit within its assessment area.

Table 5: Distribution of Loans Inside and Outside of the Assessment Area

Loan Type	Number of Loans					Dollar Volume of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total $(000)
	#	%	#	%		$(000)	%	$(000)	%	
Commercial	40	95.24	2	4.76	100.00	2,426,558	99.75	6,107	0.25	2,432,665

Source: Institution's commercial loans originated from January 1, 2009, through September 1, 2009.

Loan-to-Deposit Ratio

Western Community Bank's ANLTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. This ratio measures the relationship of funds deposited in the bank to funds loaned out, and the extent to which the bank utilizes its deposit resources to extend credit. The bank's ANLTD is 87 percent based on 20 quarters (September 30, 2004, through June 30, 2008) since the previous CRA Performance Evaluation. Over the 20 quarter period, the ANLTD ratio ranged from 75 percent at its lowest point for the quarter ending September 30, 2005, to its highest point of 100 percent, for the quarter ending September 30, 2006. For comparison purposes, the bank's ANLTD was compared to the ratios of similarly situated institutions within the assessment area. The ANTLD ratio of 87 percent is within the range of 5 similarly situated institutions.

Response to Complaints

The bank has not received any CRA-related complaints.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A - GENERAL DEFINITIONS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, it a person or geography is located outside an MSA.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: (1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's
Development Company or Small Business Investment Company programs (13 CFR 121.301) or
have gross annual revenues of $1 million or less; or, (4) activities that revitalize or stabilize: (i) Low-or moderate-income geographies; (ii) Designated disaster areas; or (iii) Distressed or underserved non-metropolitan middle-income geographies designated by the agencies, based on a. Rates of poverty, unemployment, and population loss; or b. Population size, density, and dispersion.
Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of WCB.
A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro-enterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into the following below:

- Male householder (A family with a male householder and no wife present) or
- Female householder (A family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of geography.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into

MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business (es): A loan included in 'loans to small businesses' as defined in the
Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

Small loan(s) to farm(s): A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of geography.